



OTHER GENERAL FUNDS, SPECIAL FUNDS, UTILITY FUNDS AND RESERVES

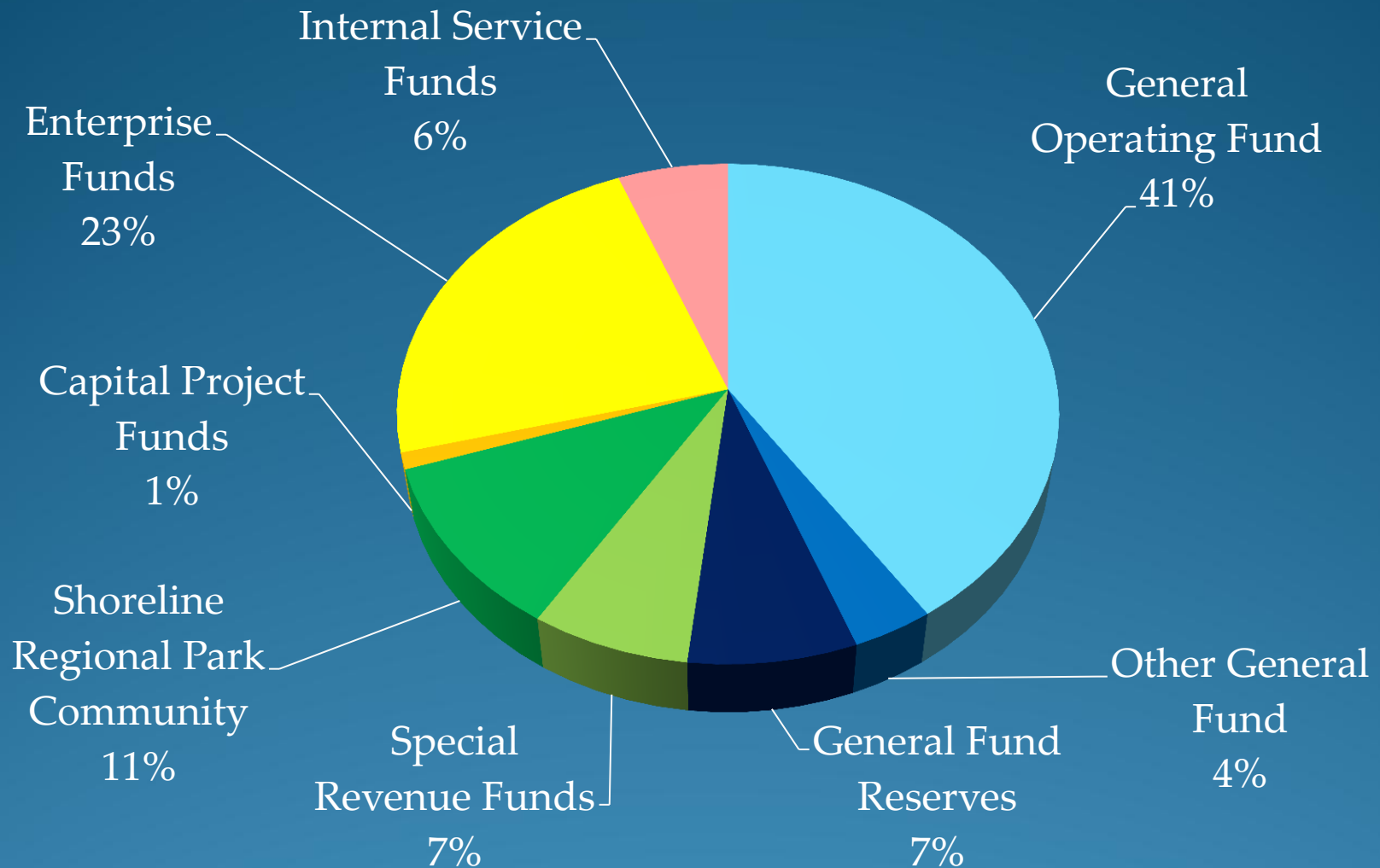
FY2012-13

Narrative Budget Report

May 1, 2012

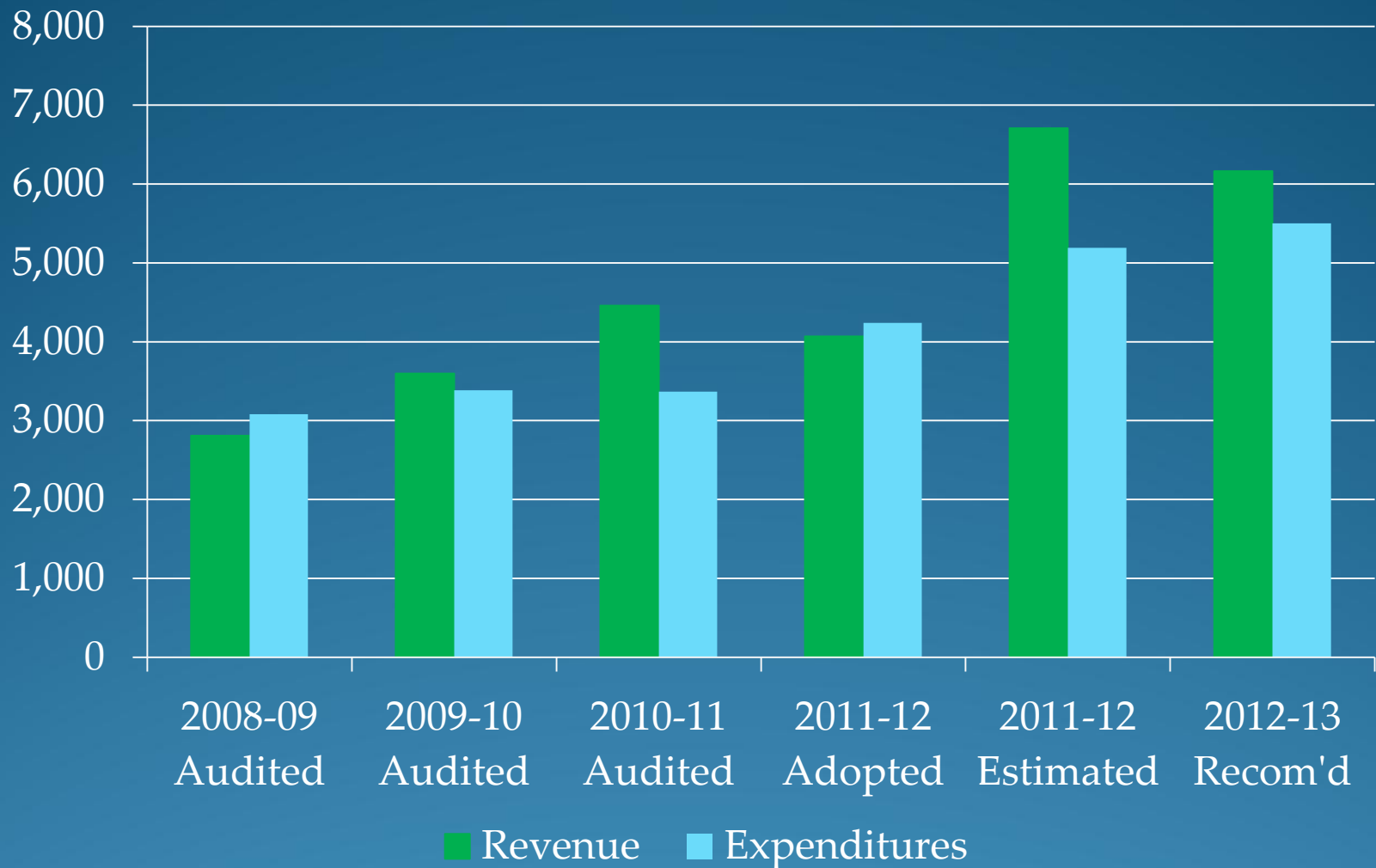
- Other General Funds
 - Building Services
 - Shoreline Golf Links
- Special Funds
 - Former Revitalization Authority
 - Shoreline Regional Park Community
- Utility Funds
 - Water
 - Wastewater
 - Solid Waste
- Reserves

TOTAL FUND EXPENDITURES FY 2011-12 ADOPTED



OTHER GENERAL FUNDS

GENERAL FUND - BUILDING SERVICES





GF - BUILDING SERVICES HIGHLIGHTS

Current Fiscal Year

- Development activity significantly higher than prior fiscal year
- Revenues estimated to exceed budget by \$2.6 M

Fiscal Year 2012-13 Projections and Recommendations:

- Development activity anticipated at same level as current fiscal year
- Recommended increase in outside plan check and inspection services \$1.6 M
- One-stop permit center evaluation

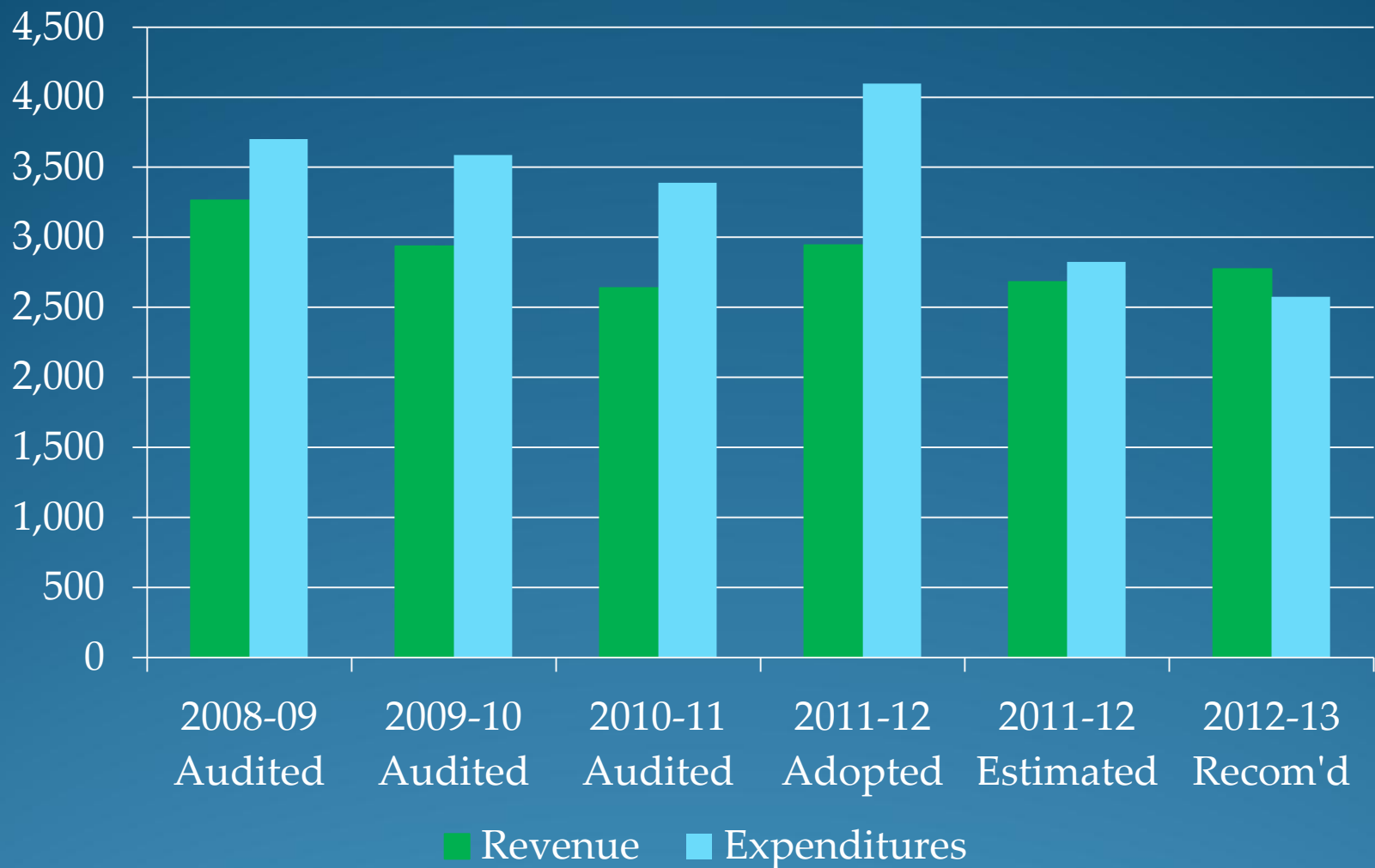


GENERAL FUND - BUILDING SERVICES

	2010-11 <u>Audited</u>	2011-12 <u>Adopted</u>	2011-12 <u>Estimated</u>	2012-13 <u>Recom'd</u>
Revenues	\$ 4,459	4,067	6,707	6,165
Expenditures	(<u>3,166</u>)	(<u>3,759</u>)	(<u>4,711</u>)	(<u>5,400</u>)
Operating Balance	1,293	308	1,996	765
Retirees' Health UAAL	-0-	-0-	-0-	(94)
Capital Projects	(<u>200</u>)	(<u>482</u>)	(<u>482</u>)	(<u>9</u>)
Excess (Deficiency)	1,093	(174)	1,514	662
Beginning Balance	<u>5,454</u>	<u>6,547</u>	<u>6,547</u>	<u>8,061</u>
Ending Balance	\$ 6,547	6,373	8,061	8,723

(amounts in thousands)

GENERAL FUND - SHORELINE GOLF LINKS





GF - SHORELINE GOLF LINKS HIGHLIGHTS

Current Fiscal Year

- Transition to management services - Touchstone
- Estimating use of approximately \$160,000 of \$500,000 available from Budget Contingency Reserve

Fiscal Year 2012-13 Projections and Recommendations:

- Touchstone estimating revenues 3.5 percent higher
- Expenditures \$1.5 M lower
- Estimated \$199,000 available to transfer to General Operating Fund
- Recommended revised fee structure



GENERAL FUND - SHORELINE GOLF LINKS

	2010-11 <u>Audited</u>	2011-12 <u>Adopted</u>	2011-12 <u>Estimated</u>	2012-13 <u>Recom'd</u>
Revenues	\$ 2,638	2,943	2,681	2,774
Expenditures	(<u>3,390</u>)	(<u>4,098</u>)	(<u>2,825</u>)	(<u>2,575</u>)
Excess (Deficiency)	(752)	(1,155)	(144)	199
Funding From BCR	-0-	-0-	157	-0-
Transfer to GOF	-0-	-0-	-0-	(199)
Beginning Balance	<u>739</u>	<u>(13)</u>	<u>(13)</u>	<u>-0-</u>
Ending Balance	\$ (13)	(1,168)	-0-	-0-

(amounts in thousands)

SPECIAL FUNDS



FORMER REVITALIZATION AUTHORITY HIGHLIGHTS

Current Fiscal Year

- Effective February 1, 2012 Authority dissolved
- City has elected to serve as Successor Agency (SARA)
- All assets transferred to SARA
- Audit required by County Auditor-Controller by July 1, 2012

Fiscal Year 2012-13

- Unknown impact of ongoing costs – waiting for determination if allowable enforceable obligation



FORMER REVITALIZATION AUTHORITY – EXISTING FUNDS

	<u>SARA</u>	<u>SARA HSA</u>
Cash Available	\$ 7,624	1,460
Receivable and Prepaid	166	-0-
Land	2,637	-0-
Bond Proceeds	509	-0-
Bond Debt Service and Reserve Fund	<u>1,939</u>	<u>-0-</u>
Subtotal	\$ 12,875	1,460
Less:		
Bond Proceeds/Reserve	2,448	-0-
EOPS/ROPS	<u>563</u>	<u>458</u>
Net Asset Balance	\$ 9,864	1,002

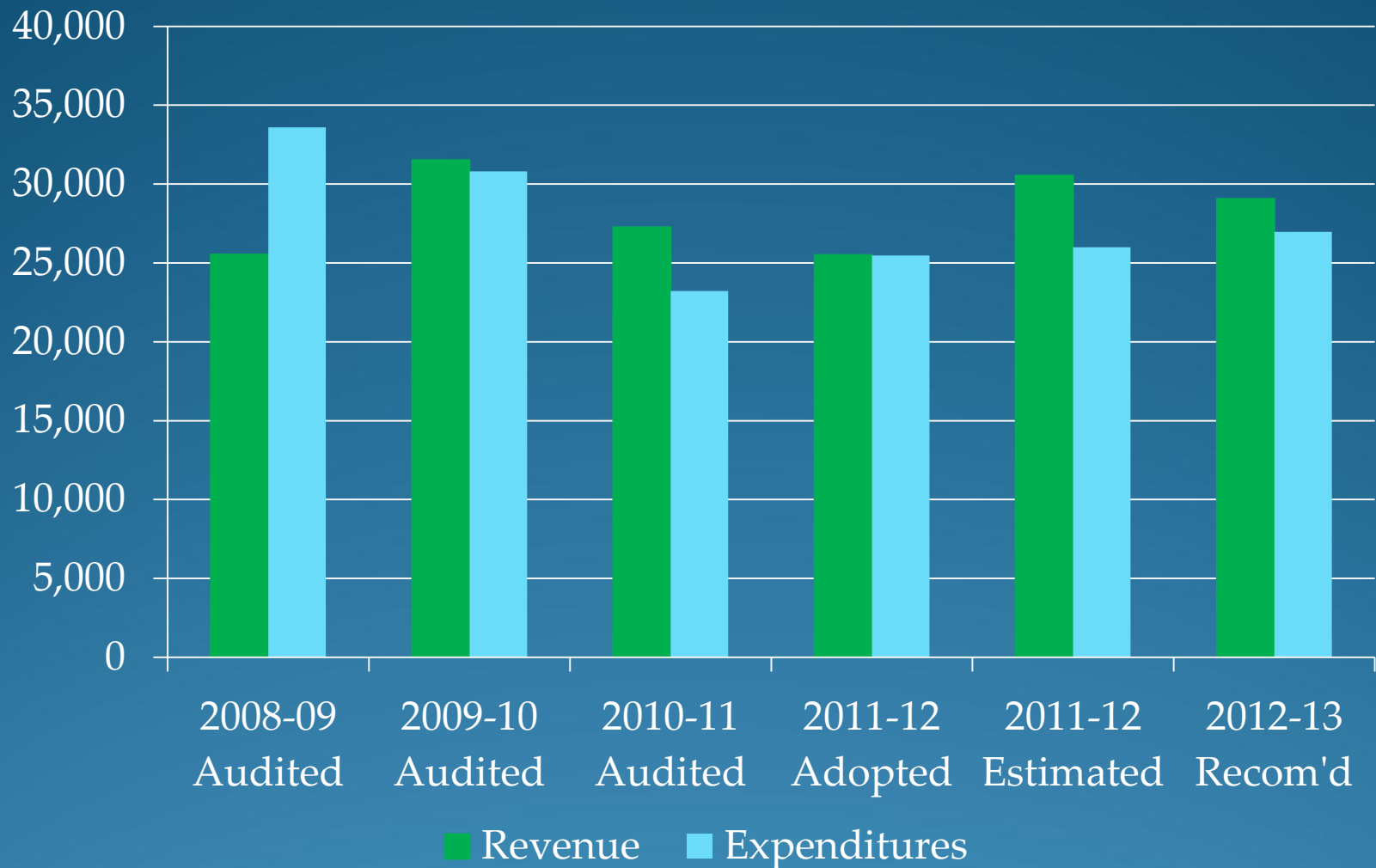
(amounts in thousands)

FORMER REVITALIZATION AUTHORITY – UNCERTAIN FUNDING



Earthquake Insurance	\$ 58,000
Staffing	30,000
Property Tax Rebate Agreements	16,000
Supplies	4,500
Contract Services	12,000
Miscellaneous	<u>4,500</u>
Total	\$125,000

SHORELINE REGIONAL PARK COMMUNITY FUND





SHORELINE REGIONAL PARK COMMUNITY HIGHLIGHTS

Current Fiscal Year

- Property taxes \$5.2 M higher than budget
- Bond issue in July 2011 returned \$10.5 M CIP funds
- Second of third year of interim JPA with the School Districts

Fiscal Year 2012-13 Projections and Recommendations:

- Property taxes estimated to decline due to anticipated commercial AV appeals to be processed
- Capital Improvement Projects \$ 1.1M
- CIP refund of \$3.1M from recycled water project
- Significant studies to assess long-term obligations



SHORELINE REGIONAL PARK COMMUNITY FUND

	2010-11 <u>Audited</u>	2011-12 <u>Adopted</u>	2011-12 <u>Estimated</u>	2012-13 <u>Recom'd</u>
Revenues	\$27,271	25,509	30,540	29,056
Expenditures	(21,648)	(23,993)	(24,516)	(25,816)
Operating Balance	5,623	1,516	6,024	3,240
CIP Refunds	-0-	-0-	10,500	3,100
Retirees' Health UAAL	-0-	-0-	-0-	(101)
Capital Projects	<u>(1,581)</u>	<u>(1,484)</u>	<u>(1,484)</u>	<u>(1,053)</u>
Excess (Deficiency)	4,042	32	15,040	5,186
Beginning Balance	23,168	27,210	27,210	42,250
Prop Acquis/Trfc Mgt Res	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>	<u>(10,000)</u>
Ending Balance	\$17,210	17,242	32,250	37,436

(amounts in thousands)

UTILITY ENTERPRISE FUNDS

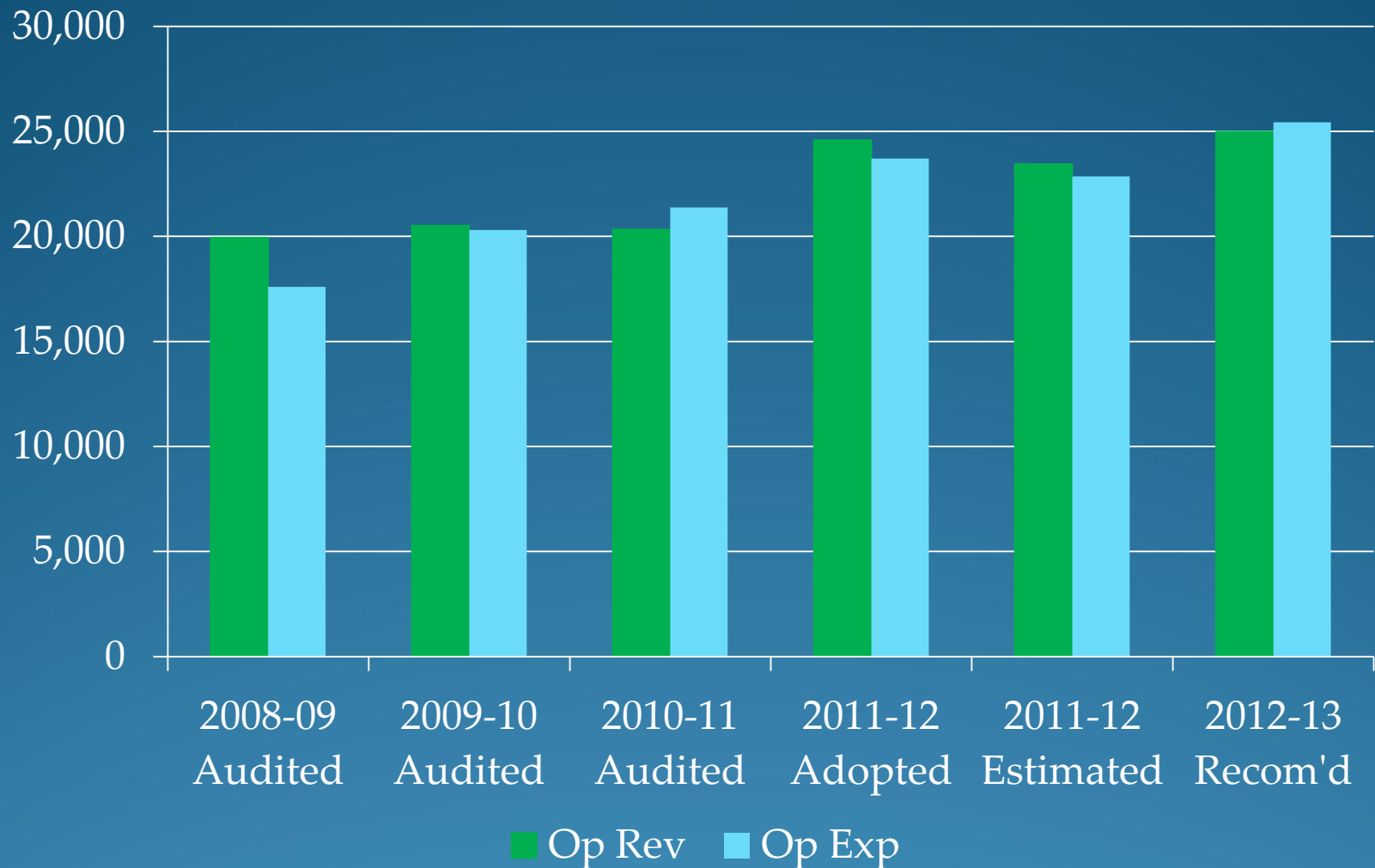


PROP 218 PROCESS

- All rate recommendations within guidelines - no Prop 218 hearing required
- Notification of proposed rate changes mailed prior to budget hearings in June



WATER FUND





WATER FUND HIGHLIGHTS

Current Fiscal Year

- Adopted 20% rate increase due to 38.4 percent SFPUC increase
- Revenues lower - water sales lower
- Expenditures below budget - salary, supplies and services savings

Fiscal Year 2012-13 Projections and Recommendations

- 8.0 percent rate increase recommended
 - 11.4 percent SFPUC wholesale water cost increase
 - 7.9 percent (treated water) and 9.3 percent (well water) from SCVWD
- Future projected SFPUC rates of 7.2, 16.6 and 10.7 percent
- Rate study recommended \$50,000
- Capital Improvement Projects \$2.1M

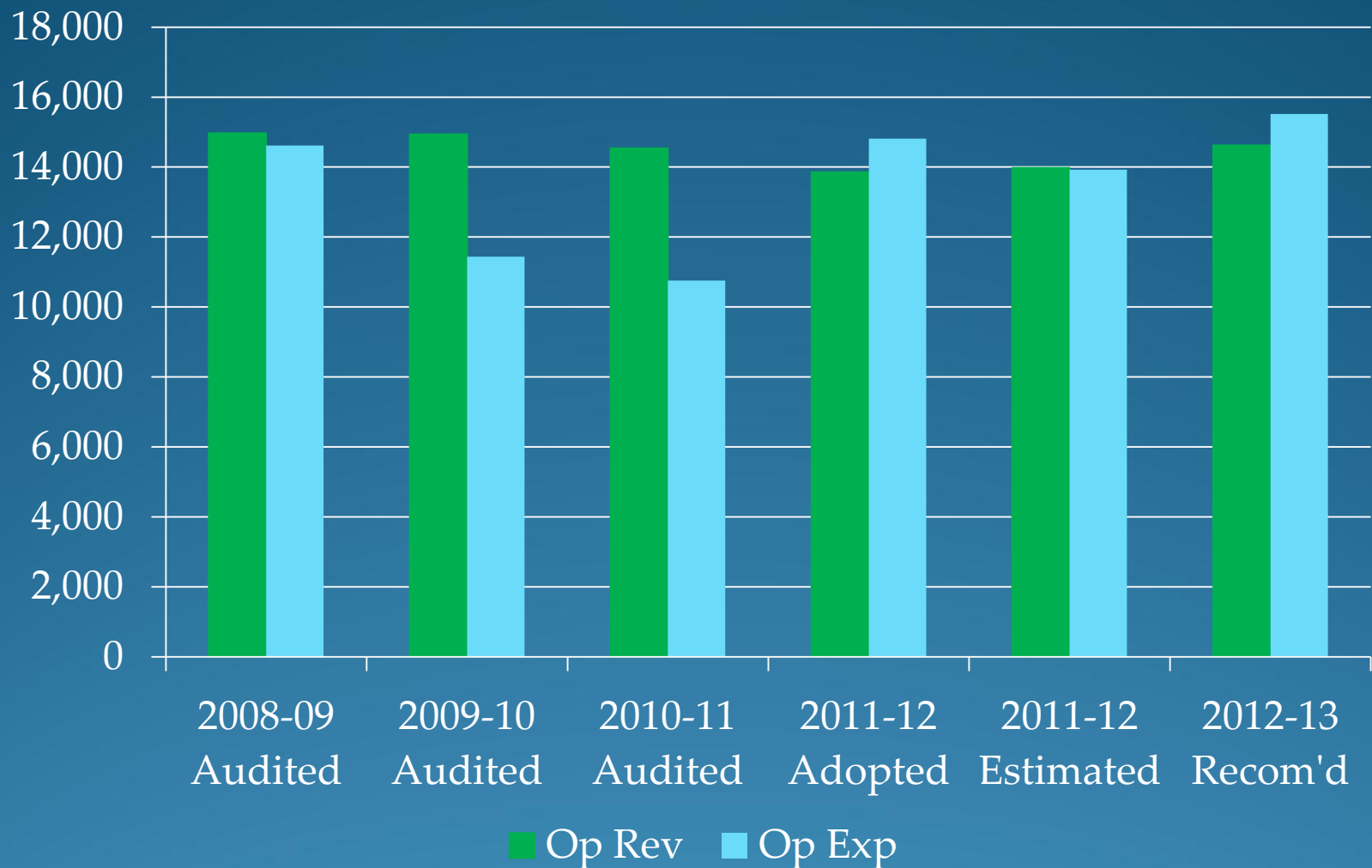


WATER FUND

	2010-11 <u>Audited</u>	2011-12 <u>Adopted</u>	2011-12 <u>Estimated</u>	2012-13 <u>Recom'd</u>
Revenues	\$20,334	24,588	23,445	24,981
Expenditures	(19,843)	(22,180)	(21,324)	(23,650)
Operating Balance	491	2,408	2,121	1,331
Federal Grant	3,296	-0-	-0-	-0-
Capital Projects	(1,674)	(2,070)	(2,070)	(2,069)
Excess (Deficiency)	2,113	338	51	(738)
Beginning Balance	7,645	9,758	9,758	9,809
Reserves	(6,177)	(6,915)	(6,915)	(7,533)
Ending Balance	\$ 3,581	3,181	2,894	1,538

(amounts in thousands)

WASTEWATER FUND





WASTEWATER FUND HIGHLIGHTS

Current Fiscal Year

- 5.0 percent rate decrease
- Revenues estimated \$119,000 higher than budgeted
- Expenditures below budget – salary, supplies and services savings

Fiscal Year 2012-13 Projections and Recommendations

- 5.5 percent rate increase recommended
 - PARWQCP cost increase of 8.0 percent
- Rate Study recommended \$50,000
- Capital Improvement Projects \$1.7M

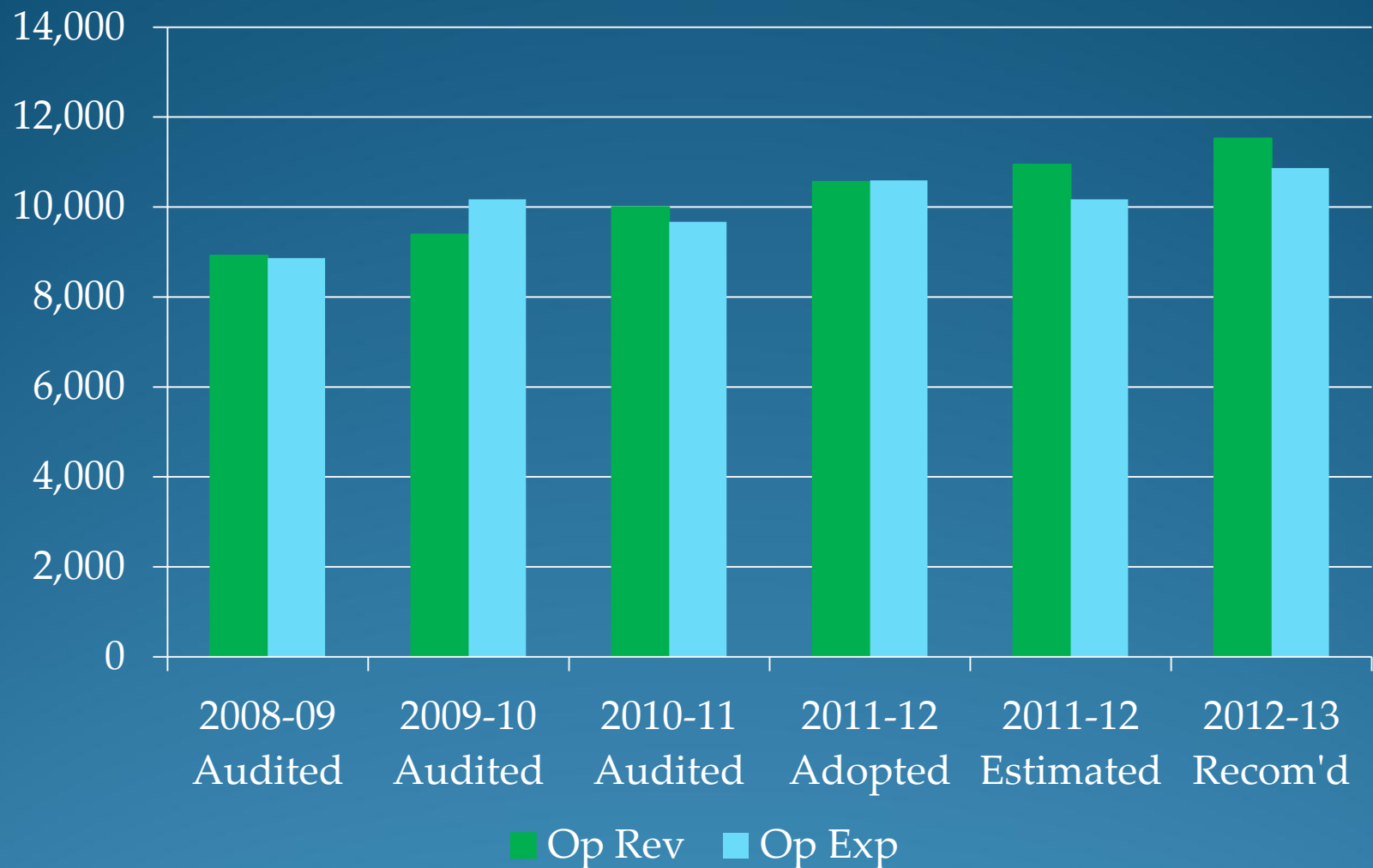


WASTEWATER FUND

	2010-11 <u>Audited</u>	2011-12 <u>Adopted</u>	2011-12 <u>Estimated</u>	2012-13 <u>Recom'd</u>
Revenues	\$ 14,537	13,858	13,977	14,621
Expenditures	(9,121)	(13,228)	(12,339)	(13,908)
Operating Balance	5,416	630	1,638	713
Capital Projects	(1,854)	(1,681)	(4,622)	(1,663)
Excess (Deficiency)	3,562	(1,051)	(2,984)	(950)
Beginning Balance	12,437	15,999	15,999	13,015
Reserves	(5,984)	(5,947)	(5,947)	(5,897)
Ending Balance	\$ 10,015	9,001	7,068	6,168

(amounts in thousands)

SOLID WASTE FUND





SOLID WASTE MANAGEMENT FUND HIGHLIGHTS

Current Fiscal Year

- 6.0 percent adopted rate increase
- Revenues estimated higher than budget
- Expenditures lower - SMaRT Station credit
- Rate study in progress
- Waste hauler contract under review

Fiscal Year 2012-13 Projections and Recommendations

- 3.0 percent rate increase recommended
 - Recology adjustment 2.92 percent
 - SMaRT Station increase 3.85 percent
- Capital Improvement Projects \$253,000



SOLID WASTE MANAGEMENT FUND

	2010-11	2011-12	2011-12	2012-13
	<u>Audited</u>	<u>Adopted</u>	<u>Estimated</u>	<u>Recom'd</u>
City Revenues	\$10,000	10,560	10,949	11,524
Recology Revenues	<u>10,943</u>	<u>11,322</u>	<u>11,608</u>	<u>11,652</u>
Total Revenues	20,943	21,882	22,557	23,176
City Expenditures	9,439	10,361	9,941	10,635
Recology Payments	<u>10,943</u>	<u>11,322</u>	<u>11,608</u>	<u>11,652</u>
Total Expenditures	<u>20,382</u>	<u>21,683</u>	<u>21,549</u>	<u>21,287</u>
Operating Balance	561	199	1,008	889
Retirees' Health UAAL	(53)	-0-	-0-	(8)
Capital Projects	<u>(493)</u>	<u>(246)</u>	<u>(246)</u>	<u>(253)</u>
Excess (Deficiency)	73	(47)	762	628
Beginning Balance	4,145	4,218	4,218	4,980
Reserves	<u>(2,589)</u>	<u>(2,610)</u>	<u>(2,610)</u>	<u>(2,722)</u>
Ending Balance	\$1,629	1,561	2,370	2,886

(amounts in thousands)



SUMMARY OF RECOMMENDED UTILITY RATE INCREASES

- Water – Recommended 8.0 percent rate increase
 - \$3.34/month increase for 250 gal/day
- Wastewater – Recommended 5.5 percent rate increase
 - \$1.26 residential monthly increase
- Solid Waste – Recommended 3.0 percent rate increase
 - \$0.60/month increase for one 32-gallon can



UTILITY RATE COMPARISON SINGLE FAMILY RESIDENTIAL

	<u>Mountain View</u> ⁽¹⁾	<u>Palo Alto</u>	<u>Sunnyvale</u>
<u>Water</u> ⁽²⁾			
Current	\$41.32	\$60.96	\$35.14
Recommended	44.66	69.22	37.60
Recommended Change	8.0%	13.5%	7.0%
<u>Sewer</u>			
Current	22.99	27.91	30.84
Proposed	24.25	29.31	32.54
Proposed Increase	5.5%	5.0%	5.5%
<u>Trash</u> ⁽³⁾			
Current	20.10	37.48	30.42
Proposed	20.70	41.31 ⁽⁴⁾	31.64
Proposed Increase	3.0%	10.2%	4.0%

(1) Cal Water – Current rate \$50.66 (as of 1/1/12, 19.2% increase)

(2) Based on 250 gallons per day

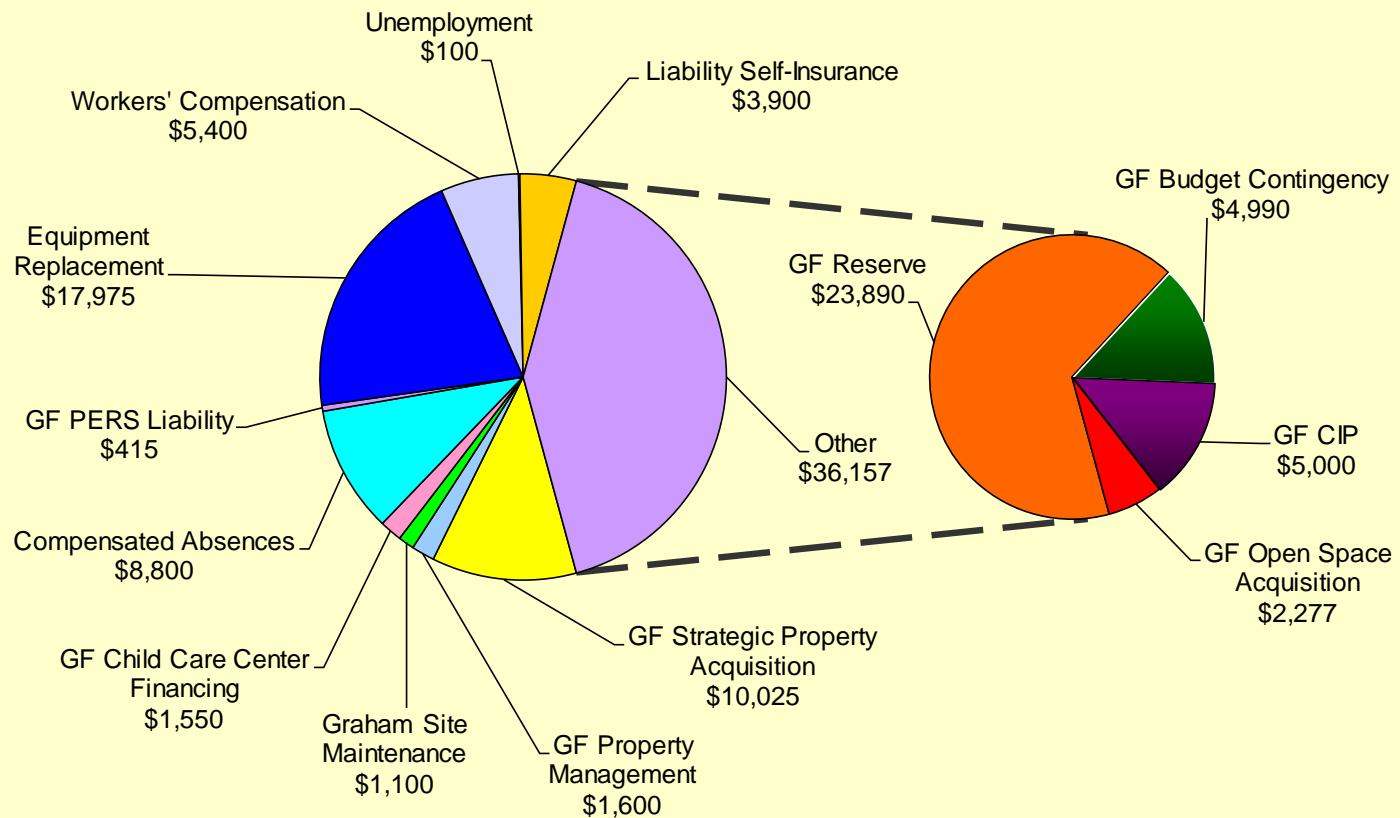
(3) Based on one 32 gallon container

(4) Rate in effect 10/1/12

RESERVES FUNDS

RESERVES

Reserve Balances - July 1, 2012 Total: \$87,022 (amounts in thousands)





UNCOMMITTED SPECIFIC PURPOSE RESERVES

	<u>Est Bal</u> <u>6/30/12</u>	<u>Recom'd</u> <u>Allocation</u>	<u>Est. Bal</u> <u>7/1/12</u>	<u>Target</u> <u>Bal</u>
GF Reserve:	\$ 23,455	435	23,890	23,890
Budget Contingency:	4,990	-0-	4,990	4,990
Capital Improvement:	5,000	-0-	5,000	5,000
Open Space Acquisition:	2,277	-0-	2,277	2,277
Strategic Prop Acquis:	10,025	-0-	10,025	10,025

(amounts in thousands)



LIABILITY RESERVES

	Est. Bal <u>6/30/12</u>	Recom'd <u>Allocation</u>	Est. Bal <u>7/1/12</u>	Target <u>Bal</u>
GF Property Mgmt:	\$ 1,600	-0-	1,600	1,600
Graham Site Maint:	1,100	-0-	1,100	1,100
Child Care Ctr Financing:	1,550	-0-	1,550	1,561
Compensated Absences:	8,000	800	8,800	8,931 ⁽¹⁾
GF PERS Liability:	415	-0-	415	415
Equipment Replacement:	17,975	-0-	17,975	17,966
Workers' Compensation	5,400	-0-	5,400	6,014 ⁽²⁾
Unemployment	100	-0-	100	100
Liability Self-Insurance:	3,900	-0-	3,900	4,117 ⁽²⁾

(1) As of June 30, 2011 (2) Actuarial Liability
(amounts in thousands)



DISCUSSION

Council feedback sought on the following:

- Recommended utility rate changes
- Revisions and new fees for Shoreline Golf Links to be reviewed by Parks and Recreation Commission?
- Other comments or follow-up information requests



NEXT STEPS

- May 8 – Council Goal Setting
- May 22 – Goals Adoption
- June 5 – First public hearing on the Proposed Budget
- June 12 – Anticipated budget adoption